

## Inside eHHR

December 2012

### The Future MAGI Landscape

Significant Medicaid/CHIP eligibility reforms are being driven by the Patient Protection and Affordable Care Act (PPACA). Under PPACA, Medicaid/CHIP eligibility requires use of Modified Adjusted Gross Income (MAGI) rules. MAGI is a new methodology for how income is counted and how household composition and family size are determined – MAGI is NOT a number on an IRS tax return. MAGI rules will replace most Family and Children's financial eligibility determination rules. Further, there will need to be significant changes to the application and eligibility determination processes in order to support streamlined real-time eligibility determinations filed by mail, phone, web (CommonHelp or a Health Benefits Exchange), fax, or in person. CommonHelp is a critical automation component but that only addresses part of the processes. We must also replace our antiquated eligibility systems in order to determine eligibility and enroll customers in as near real-time as possible. To that end, the Medicaid/CHIP programs have committed significant funding for the modernization of our eligibility and enrollment systems. Additionally, research is underway to understand how to best support the new MAGI application workflow requirements.

The modernization effort is a massive and daunting task. Change is never easy, but once completed, Virginia will have state-of-the-art business processes using interoperable technology that improves our customers' experience, prevents fraud, eases the burden on eligibility workers, and can quickly adapt to change.

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### Questions?

To ensure that we are meeting your communications needs, we invite you to send questions about the eHHR Program and its projects to the [eHHR Program Office](#).



### MAGI: New Rules for Financial Eligibility Determination

Under PPACA, MAGI will be required to determine financial eligibility for children, pregnant women, parents and caretaker relatives, as well as an optional childless adult group (Virginia has not determined yet if Medicaid will be expanded). There will be no change to how financial

eligibility is determined for citizens 65 years and older. The potential impact on recipients claiming to be disabled is not yet entirely clear.

MAGI is based on federal tax rules for determining adjusted gross income (with some modification) with a 5% across the board disregard and no asset test or other disregards. Current Families and Children income limits must be converted to equivalent MAGI income standards to compensate for the loss of income disregards for children, pregnant women, parents and caretaker relatives, and the optional childless adult group.

**Groups affected by MAGI:** Low income parents and caretaker relatives with dependent children; Children under the age of 19; Pregnant women; Reasonable classifications of children under the age of 21 (for example, Non IV-E adoption assistance children); and Plan First beneficiaries.

**Groups not affected by MAGI:** Title IV-E Adoption Assistance or Foster Care children; Former Foster Care children under the age of 26 (new group to become effective January 1, 2014....no income test); Medicare Savings Program individuals (QMB, SLMB, QI); Qualified Disabled Working Individuals; SSI recipients; Protected individuals; Breast and Cervical Cancer Prevention and Treatment Act individuals; 80% group of aged, blind or disabled individuals; Individuals eligible only for Medicaid payment of their long-term care services (in a facility, in a waiver, in hospice or in PACE); MEDICAID WORKS; and Medically Needy.

There are some other groups that have a special status (such as deemed newborns) who will continue to receive coverage as they currently do because their coverage is based on their mother being a Medicaid mom as of the date of the child's birth. Two other groups related to extended Medicaid also have a special status, and we are awaiting more guidance from CMS on how to treat them.

#### Key PPACA dates:

**October 1, 2013** - Open enrollment for the Health Benefit Exchange begins.

**January 1, 2014** - All NEW applications for Medicaid/CHIP (FAMIS) on the Families and Children side will have eligibility determined using the MAGI methodology. The Virginia Case Management System (VaCMS) will be used to intake, process, and manage the MAGI cases.

**January 1, 2014 through March 31, 2014** - Renewals of eligibility for currently enrolled Family and Children members will follow the old Medicaid (non-MAGI) rules in use prior to January 2014. These renewals will be accomplished with current business processes and legacy systems (ADAPT/CHAMPS).

**April 1, 2014** - All renewals of eligibility for the Family and Children population will be completed using new MAGI methodology. Additionally, during 2014, children whose coverage would be cancelled (at the time of the renewal of eligibility) because of the use of the MAGI methodology will have their eligibility protected in the Title XXI program (FAMIS) for the next year, and MAGI income and household composition rules will be used at the time of the renewal in 2015.

### eHHR Upcoming Developments

- ◆ Projects will be underway to modernize some data exchange services provided by Virginia Department of Health (VDH), particularly the Birth Registry Interface, the Immunization Registry Interface, and the Death Registry Interface.
- ◆ The Enterprise Delivery System Program (EDSP) Eligibility Modernization vendor will start the requirements, design, and gap analysis of the first phase of the modernization project. In this phase, focus will be on configuring support for MAGI policy and how it will impact the financial aspects of Medicaid and CHIP eligibility mandated under PPACA. This is one of three projects the vendor will be working on. It focuses on the minimum changes required to meet the mandated October 1, 2013 date to determine eligibility as defined under PPACA.
- ◆ We hope you've enjoyed the eHHR newsletter so far in 2012. You've probably noticed the issues so far have talked about the vision and "big picture" direction of the modernization effort. Starting in 2013, the articles will transition into more details about the new system, how it will work, and what it will do for you.



### New eHHR Resources

Want to know more about the eHHR Program or view past newsletters? Visit:

<http://www.dss.virginia.gov/initiatives/ehhr.cgi>

You can also download an acronym list as a helpful guide.

**Questions or comments?**

**Email: [eHHRProgram@dmass.virginia.gov](mailto:eHHRProgram@dmass.virginia.gov)**